

Moreover, this information is also available to contracting officials—to the extent it is relevant—during the negotiations leading up to the award of a fixed-priced contract.

As introduced, H.R. 3928 would have accomplished nothing other than to discourage the participation of privately held firms in the Government market—which would decrease competition and, ultimately, increase Government costs.

I am pleased to say I have been able to work with Chairman WAXMAN and the bill's sponsor, Mr. MURPHY of Connecticut, to bring to the floor today a bill which has matured into an "open government" bill.

The bill now expands the Federal Funding Accountability and Transparency Act of 2006, authored by Mr. BLUNT and me last Congress, to include compensation disclosure for all entities receiving more than \$25 million a year in Government funds from such sources as contracts, grants, loans, cooperative agreements and other forms of financial assistance—as long as these Federal funds make up 80 percent or more of their income.

But again I must say, this bill, while much improved, is not a "contracting reform" bill and will do little to improve the ability of the Federal Government to get the best value goods and services it needs at fair and reasonable prices.

But, transparency in Government is fundamental—as I've always said, "Sunshine is the best disinfectant." So I thank Chairman WAXMAN and Mr. MURPHY and the staff for their willingness to work with us to make this an "open government" bill.

Mr. Speaker, I reserve the balance of my time.

Mr. TOWNS. Mr. Speaker, I yield 5 minutes to Congressman MURPHY who is the author of the bill who has done a fantastic job. I think the people in this country should be very proud of him and his work.

Mr. MURPHY of Connecticut. Mr. Speaker, I rise today to speak in support of this very important common-sense legislation, the Government Funding Transparency Act 2008. I would like to thank, of course, Chairman TOWNS for his work on the subcommittee, Chairman WAXMAN for his early and active support on this legislation, and especially to the ranking member, former chairman, Mr. DAVIS, who we were able to work directly together with over the past days and weeks to make this, as he states, I think a much stronger bill and one that answers many of the concerns that were raised by Mr. DAVIS, his office, and members of the minority of the committee.

Mr. Speaker, as described, the Government Funding Transparency Act will require that companies who receive more than 80 percent of their income in annual gross revenue from the Federal Government and more than \$25 million worth of Federal work in any given fiscal year disclose the salaries of their most highly compensated employees.

This disclosure would be, as Representative DAVIS noted, posted on an existing OMB Web site, www.USAspending.gov, which was au-

thorized as part of the Federal Funding, Accountability, and Transparency Act, a bipartisan measure passed by the 109th Congress.

As pointed out in a recent GAO report, buying services accounted for 60 percent of the total 2006 procurement dollars. And expenditures on security services, due to our engagement in the wars in Iraq and Afghanistan, have forced those service expenditures to increase substantially.

In addition, according to that same Web site, we have seen an increasing number of contracts that weren't competed at all. In fact, in 2000, the amount of contracts not competed was \$48 billion, just north of there; and in 2007, 7 years later, that number had ballooned to \$112 billion.

And yet with such a substantial increase in government funding going to companies through no-bid processes, these companies are virtually subsidiaries of the United States government taking in 80 to 90, perhaps 100 percent of their revenues from U.S. taxpayers. We don't know enough about these tax companies. We don't know their management practices, their financial statements, or their employment policies. They are often highly and tightly held secrets not subject to public scrutiny.

So it is not surprising, as Chairman WAXMAN mentioned in October 2007 when the full Oversight and Government Reform Committee brought the CEO of Blackwater before us, one of the largest government contractors, taking in nearly 90 percent of their revenue contracts from Federal contracts, the CEO of that company, Eric Prince, refused to disclose to Congress the amount of profit that company makes or the amount of salary that he took in; yet despite the fact that 90 percent of that salary, 90 percent of the company's revenues, come from the United States' taxpayers.

It's our money. We deserve to know how it's being used. Regardless of your position on this war or any other war, we deserve to know whether or not public funds are being used to unjustly enrich government contractors.

But this principle, as Representative DAVIS and others pointed out, shouldn't just be applied to these types of private security or service contracts. It should be required of all entities that make the vast amount of their earnings, over 80 percent, from U.S. taxpayer dollars. And I would especially like to thank Representative DAVIS and Representative FOXX for their advocacy for this principle.

Importantly, it's important to note that this bill will actually only affect a limited number of companies, only those entities that subsist almost entirely on Federal money and only those that are not publicly traded, since public companies who do the lion's share, frankly, of Federal contracting, already disclose executive compensation information.

Mr. Speaker, profit is clearly a powerful motive, and this legislation does

nothing to remove this incentive from our Federal contracting structure. But when it comes to private companies like Blackwater and others that would not exist if it wasn't for United States taxpayer dollars, the taxpayers and this Congress should have the information necessary to decide whether we've gone too far in padding the personal pockets of those who feed at the government trough.

As the late Supreme Court Justice Brandeis said, sunlight is the best disinfectant. I believe this legislation will apply a little bit more sunlight to the Federal funding process.

Again, I thank the chairman and the ranking member for their assistance on this legislation. And I know that this body will agree that as stewards of the people's treasure, we must do everything in our power to make sure it's being spent justly and responsibly. Again, I thank the chairman.

Mr. DAVIS of Virginia. I would yield back the balance of my time, Mr. Speaker.

Mr. TOWNS. Mr. Speaker, I yield 1 minute to Congressman WELCH.

Mr. WELCH of Vermont. As a cosponsor, I strongly support this legislation.

It was pretty shocking what we heard when this came up. Mr. Eric Prince of Blackwater was in before our committee, and the question was, how did your contracting go from \$75 million to over \$1 billion. And then in the course of it, what was your salary. He admitted to about \$1 million in salary but then also disclosed there's about a 10 percent profit, which would mean, just by doing plain math, \$100 million just in the bottom-line profit to the sole owner. We don't know exactly whether that's the case, but that's certainly the way it looks.

Mr. MURPHY's legislation will let the taxpayers know how much they are spending that goes to the bottom-line profit of an individual in this war when our soldiers are working so hard in such danger and getting so little pay for it.

GENERAL LEAVE

Mr. TOWNS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TOWNS. Mr. Speaker, H.R. 3928, the Government Funding Transparency Act of 2008, will provide more information about executive pay at large organizations that get almost all of their revenue from Federal taxpayers' dollars. It closes a loophole in the current law.

Right now, the salaries of most people who are paid from Federal funds are public information. The salaries of every Member of Congress is public information. However, large private companies that draw most of their revenue from Federal funds have no such requirements. As a result, nobody knows